

National Institute for Health and Care Excellence

Integrated performance report

This report provides an update to the Board on the performance against our key performance indicators for the period 1 April to 30 November 2021, and a summary of progress with the objectives in the 2021/22 business plan.

The Board is asked to review the report.

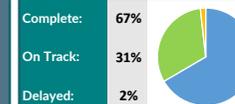
Jennifer Howells

Director, Finance, Strategy and Transformation

January 2021

High Priority Objectives Status 21/22

December 2021 Performance & Assurance Report



98%

Milestone Overview

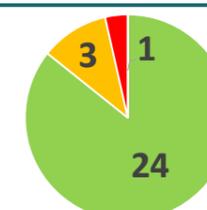
Percentage On Track (Milestones)

Pillar	Objective	Target	Status	Trend	Summary
Pillar 1	Speed up the evaluation pathway for medicines and devices	Q4	On track to deliver	Stable	70 innovation passport applications received and 40 awarded, an increase of 10%. 15 target development profile (TDP) applications received. Plans to launch an ILAP 'Access Tool' underway and product being identified to pilot the tool. Process and policy developments ongoing between ILAP partners, supporting development of a broader and longer-term cross-partner communications plan expected in February 2022.
	Publish evaluation methods and processes for health technology evaluations	Q4	On track to deliver	Upwards	Public consultation initial findings presented to NICE Board in December, supporting the proposed responses, approach, and plan for priority areas. Updates to the methods and process manual drafted in response to consultation. This is planned for approval and publication in Q4.
	Deliver phase 1 of a life sciences hub	Q4	On track to deliver	Stable	First version of a life sciences hub landing page finalised, user testing underway. Deloitte completed their review of comparator websites for phase 2 of the hub, proposing a vision and recommendations for a minimal viable product. Decision on phase 2 awaits appointment of a Chief Digital Product Officer (CDPO) and outcome of CSR bid.
Pillar 2	Adopt a new guideline authoring tool - MAGICapp	Q2	Risk to deliver	Stable	Evaluation paper produced outlining the suitability and acceptability of MAGICapp as a structured guideline authoring tool. There is a risk to delivering this objective due to the complexity of the project and uncertainties around the outcome of the CSR funding bid. Further options and costs are being considered in detail and a decision on next steps is to wait until the Chief Digital Product Officer (CDPO) is in post. Interactive guideline experience (IGE) project continues to develop prototypes for bringing type 2 diabetes content together, with user testing in January 2022.
Pillar 3	State with system partners how our guidance adds value across the health and care system	Q3	On track to deliver	Stable	Working with identified key partner ALBs, supporting statement agreed about how they use NICE guidance in their work. Draft designs and content progressed through an internal review process, with revisions agreed by CEO. Programme board to review design on 05 January 2022.
Pillar 4	Develop an initial framework for the use of real world data	Q4	On track to deliver	Stable	Draft real-world evidence (RWE) framework shared with key groups across NICE, with broad support received and highlighting a need to strengthen MedTech content. Planning for second external roundtable event in January 2022 underway, following success of event in November focused on 'data suitability assessment'. Further engagement with life sciences companies will take place during Q4.
Enabler	Digital Workplace - Initiate a 18 to 24 month rolling programme of work to deploy components of M365 including OneDrive and SharePoint	Q1 and Ongoing	Challenges to deliver	Stable	Foundation stage of the programme is progressing. Development of 'project spaces' service as an early adopter is on track, with 'My Space' as next service. Prioritisation of remaining services expected January 2022. Three of four business change roles successfully appointed. Change champion network launched, with 29 volunteers to date. Amber status reflects clarity needed on approach to implementing ClickUp, with a critical feature required by NICE expected July 2022. Mitigating this, business sponsors are engaged to agree next steps considering revised timeframe. Alternative options are being considered should the critical feature not be delivered.
Enabler	Organisational design (OD) review - Implement recommendations of organisational design review carried out in Q4 2020/21	Q3	On track to deliver	Stable	Recruitment to senior roles is ongoing. Organisational design activity underway and progressing in several directorates and areas. Skills mapping work with Deloitte completed to inform this. A hybrid working / ways of working approach has been launched. Culture project underway with workshops undertaken throughout December 2021 to gather feedback on current and target culture. NICE competencies finalised, with options being explored for mandatory leadership and management development.

Transformation Performance Summary

December 2021 - Performance & Assurance Report

On Track:	24
Challenges to deliver:	3
Significant risk to delivery:	1
Not Started:	0
Total Objectives:	28



Business Plan Objectives Status

Delivery Update

	Objectives Update	Pillar Trend	Narrative
Strategic Pillar 1 Rapid, Robust and Responsive Technology Evaluation	7 Objectives 	 Upward	Positive progress being made in all areas, including our 3 high priority deliverables. Following completion of the alpha phase, the Multi-Agency Advice Service (MAAS) passed its GDS assessment. Principles of contingent approval have been explored as part of our managed access objective, with an approach to be finalised and developed into an operating process and methods. The Director of Innovation at NHSE&I requested using this new approach when considering digital health technologies by June 2022. The Innovative Medicines Fund (IMF) has launched a 12-week public consultation exercise, supported by a series of engagement events. Collaboration agreement drafted with partner agencies to strengthen our strategic collaboration with national and international health technology assessment partners and regulators.
Strategic Pillar 2 Dynamic, Living Guideline Recommendations	4 Objectives 	 Downward (Minor)	Our high priority deliverable reports a risk to deliver. Whilst planned milestones remain on track, the project is complex and there is uncertainty around CSR bid funding. Approach for classifying the portfolio and prioritisation within topic suites agreed, with principles being applied to a section of the Mental Health topic suite. First 'content design' project complete re-writing a selection of guideline recommendations using the IGE learning styles and applying this to existing templates and tools. Our 'new mechanisms to gather insights and system intelligence' deliverable reports a red status. This work has been impacted due to resource prioritisation. A recovery plan is being produced and will be considered at the January programme board. Addressing this will include more detailed discussions throughout January 2022, considering timing and alignment of outputs to other projects and changes in NICE.
Strategic Pillar 3 Effective Guidance Uptake to Maximise our Impact	3 Objectives 	 Stable	Our high priority deliverable is on track in stating how our guidance adds value across the health system, with draft designs and content proceeding through an internal review process. Implementation strategy development continues to progress well, with the updated approach currently being tested with users. Delivery of the strategy with an action plan for implementation will be prioritised in the 22/23 business plan. Our health inequalities (HI) deliverable remains on track. A final report containing recommendations about NICE's role in terms of HI and priorities was presented to the executive team on 14 December. Qualitative study completed on the equality impact assessments (EIA) process with opportunities for improvement identified.
Strategic Pillar 4 Leadership in Data, Research and Science	6 Objectives 	 Upward	Our 'real world evidence' priority deliverable remains on track. NICE Listens health inequalities engagement concluded, and draft report issued. Data Access Request Service (DARS) process for accessing the Trusted Research Environment (TRE) provided by NHS Digital is ongoing. NHS Digital have confirmed the group advising on the release of data (IGARD) will review the application early January 2022. Initial feasibility report relating to environmental impact from the NICE External Assessment Centre (EAC) commission has been delivered. Options appraisal for societal perspectives in development and engagement underway with non-executive directors to inform this. Slight delay to the antimicrobial technology appraisal reports. New Committee dates are in place and formal draft guidance is still expected to deliver by 31 March.
Enabling the delivery of our strategy To strive for excellence, with an efficient and effective organisation that delivers our strategy	8 Objectives 	 Stable	Our 2 high priority deliverables are making positive progress and organisational design work is on track. The digital workplace objective reports an amber status relating to the implementation of ClickUp and the need for further clarity on the approach to implementation. Annual equalities report finalised and presented to NICE Board in January 2022 for approval. The cost improvement plan is on track to deliver the agreed 2% target (£1.5m) in Q4. Proof of concept completed for the use of master data management (MDM) in NICE and high-level data strategy produced. Contacts data / customer relationship management (CRM) deliverable reports an amber status, with a revised plan to align this to our data management objective. Civica being engaged to support the development of a business case for CRM / MDM. A proposal for automating committee recruitment will be considered in January 2022. Draft technology appraisal charging paper produced and scheduled to be presented to Board in Q4.

Key - Objectives Pie Charts: ■ Complete ■ On track to deliver ■ Challenges to deliver, confident of mitigation actions ■ Significant risk to delivery and limited confidence in mitigations ■ Not yet started

Guidance and supporting activity

Guidance and supporting outputs - Summary 1st April 2021 - 30th November 2021

Guidelines ecosystem

● YTD Actual — YTD Planned



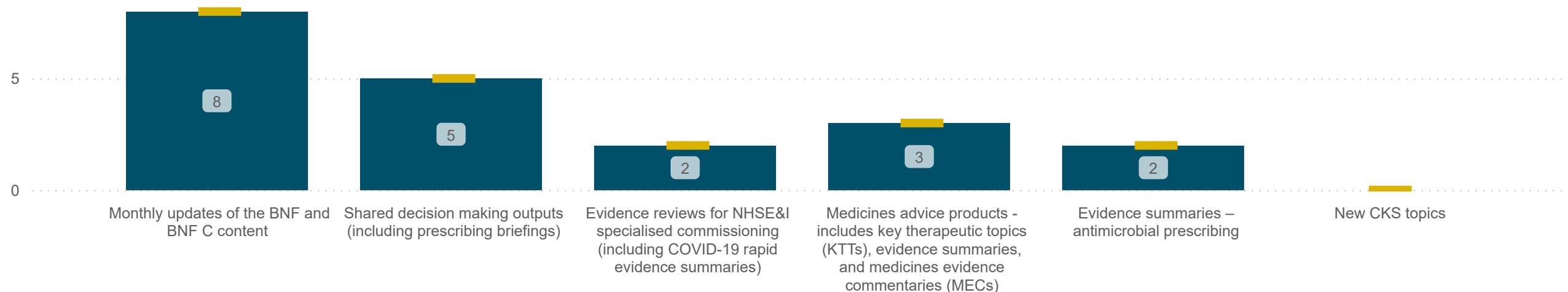
Comments

Guidelines Surveillance reviews	More surveillance reviews were produced compared with target. This is due to an increase in the number of exceptional surveillance reviews, which can not be planned for.
Guidelines Topic Suites	Expect to meet target at year end.
Guidelines Standard and interactive	Expect to meet target at year end.

Guidance and supporting outputs - Summary 1st April 2021 - 30th November 2021

Information ecosystem

● YTD Actual — YTD Planned



Comments

Shared decision making outputs (including prescribing briefings)

The outputs included in this target are produced by multiple teams and are dependent on various factors, including whether guideline or TA committees make recommendations which include preference-sensitive decisions and a decision aid or options table to support shared decision making is appropriate. The year-end forecast for this KPI is 7 against a plan of 8.

Evidence reviews for NHSE&I specialised commissioning (including COVID-19 rapid evidence summaries)

The target is fully dependent on referrals from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe. The year-end forecast would now be 6 at the most, but that would still be dependent on receiving 2 more referrals from NHSE before mid-January 2022.

Medicines advice products - includes key therapeutic topics (KTTs), evidence summaries, and medicines evidence commentaries (MECs)

We updated our focus during the year to align with the NICE strategy. The new Medicines Optimisation Strategy deprioritises individual Medicines Optimisation outputs as resource is now being focussed on supporting delivery of the guideline transformation. The end of year target is now 7 outputs which we will meet (4 MECs, 1 evidence summary and 2 visual summaries). In light of this new approach and refocusing of resources, this deliverable will not be listed in the 2022/23 business plan.

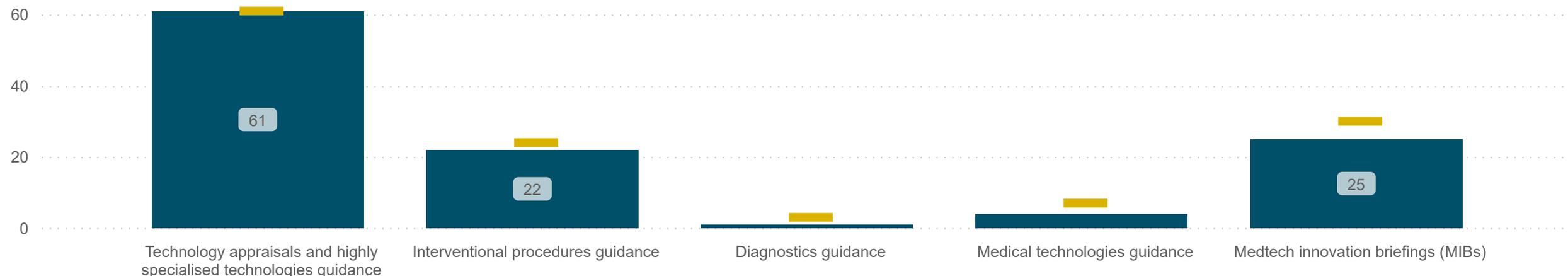
New CKS topics

Five topics were scheduled in the business plan. One of the planned topics has been deferred to next year due to the revised publication timescale of an external pressure ulcer guideline. The contractor has confirmed that the remaining 4 topics are on schedule and has a consistent history of delivery against KPIs.

Guidance and supporting outputs - Summary 1st April 2021 - 30th November 2021

Life Sciences ecosystem

● YTD Actual — YTD Planned



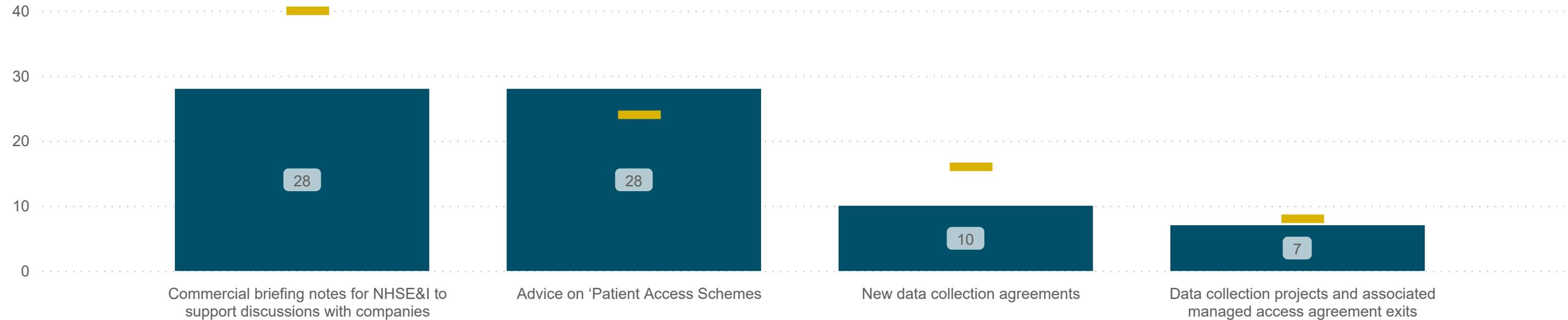
Comments

Technology appraisals and highly specialised technologies guidance	Despite capacity issues the programmes have published 61 pieces of guidance and remain on track to publish 98 pieces of guidance by 31 March 2022, although this is expected to be achieved by a higher proportion of terminated appraisals than was signalled in the business plan, impacting income recognition. The programme has published 13 terminations between April and November 2021, compared with the prediction of 10 in the business plan for the whole financial year.
Interventional procedures guidance	Two topics have been delayed, due to the need to address the issues raised at resolution and the second committee meeting respectively. Revised publication dates for both pieces of guidance is TBC.
Diagnostics guidance	The programme was unable to launch new topics for several months in 2020 either due to the pandemic or as a result of insufficient numbers of topics being routed to the programme. One topic has been delayed due to additional modelling work requested by the committee and is now due to publish in the 2022/23 business year. Another topic has been delayed due to resolution requests received and is now expected to publish in February 2022. The programme remains on track to publish 4 pieces of diagnostics guidance this financial year, 36% of the business plan target of 11.
Medical technologies guidance	We expect to publish 12 pieces of guidance against the target of 14 with 7 topics planned for delivery in Q4. Two topics that have recently gone through committee are delayed and will not publish this financial year. One topic has returned to the TSOP panel for re-routing and will not publish this financial year, while another is suspended due to the Healthcare Safety Investigation Board (HSIB) report. One topic from October and another from November were delayed and published in December 2021.
Medtech innovation briefings (MIBs)	Although we are slightly behind target at this point; a lack of analyst capacity has the potential to affect our ability to achieve our target of 46 MIBs in the financial year. The team are working to address this reduced capacity by using the External Assessment Centres.

Guidance and supporting outputs - Summary 1st April 2021 - 30th November 2021

Life Sciences ecosystem

● actual — planned



Comments

Commercial briefing notes for NHSE&I to support discussions with companies	The target is "up to" and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.
Advice on 'Patient Access Schemes'	The target is "up to" and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.
New data collection agreements	We have delivered 100% of MAAs for topics recommended for managed access. The target is "up to" and is dependent on various external factors, including whether NICE TA Committees make any recommendations for managed access, data collection feasibility and successful commercial negotiations between companies and NHSE&I.
Data collection projects and associated managed access agreement exits	The timing of planned exits from managed access is being impacted by multiple external factors: CHTE capacity and scheduling; delayed real-world data collection due to Covid-19; later reporting timelines for clinical trials; and adjustments to data collection timelines to address evidential uncertainties

People

People 1st April 2021 - 30th November 2021

Output	Plan	Value	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow April 2021 - November 2021	Comments
The rate of staff turnover	9.00%	10.87%	1.87%	↓	●		The increase in turnover is not unexpected or unique to NICE. The pandemic has encouraged many employees to re-evaluate their priorities and job vacancies have jumped to an all-time high. According to recent data from Randstad UK, a quarter (24%) of workers were actively planning to change roles within the next 3 to 6 months, compared to 11% in an average year. That is not to say we can't do more, we are closely monitoring turnover for any trends and also reviewing exit data. We are also working towards NICE being an employer of choice with various interventions from recruitment through to learning and development opportunities and organisational design.
Budget Vacancy Rate	5.00%	9.10%	4.10%	↓	●		Of this number over 60% are being actively recruited to, with current campaigns or offers made and candidates either going through pre-employment checks or have future start dates booked.
The proportion of WTE days reported as sickness (reported quarterly and annually).	2.30%	1.85%	-0.45%	↑	●		

Finance

Overall, the year-to-date position for month 8 was an underspend of £904k.

Financial position as at 30 November 2021

YTD PAY

Variance

-£1,362,000 Underspend

YTD NON - PAY

Variance

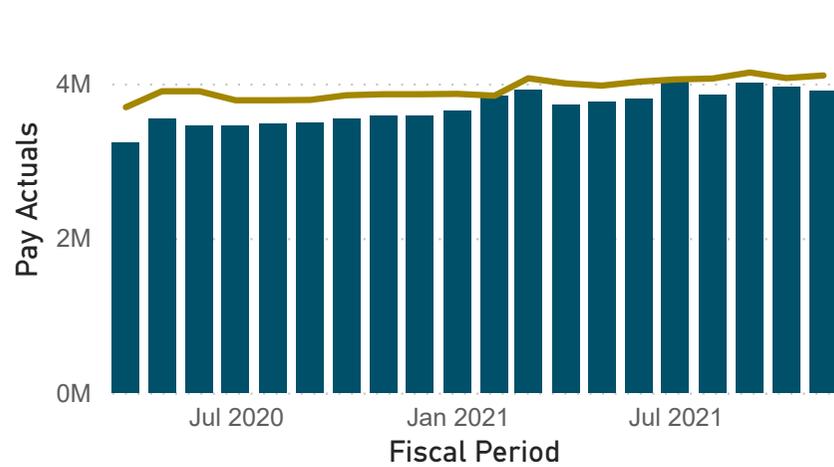
-£1,109,000 Underspend

YTD INCOME

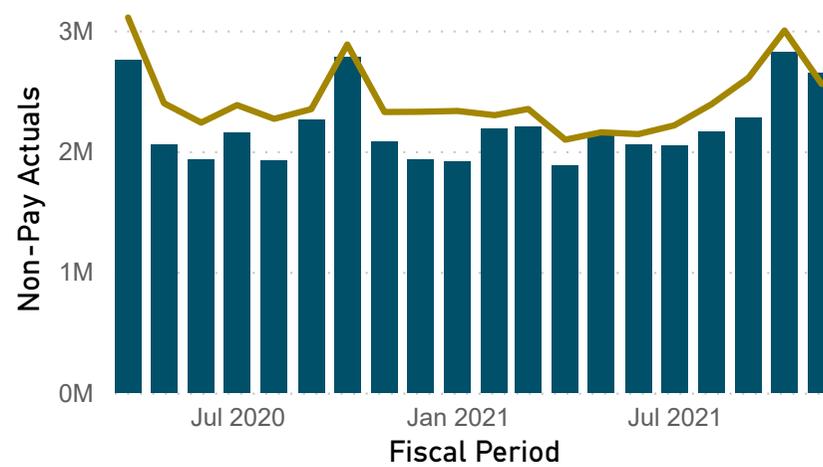
Variance

£1,567,000 Deficit

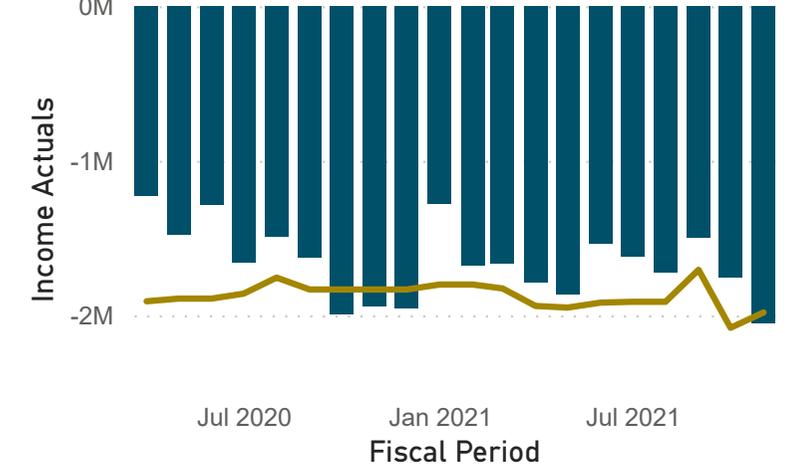
● Pay Actuals ● Pay Budget



● Non-Pay Actuals ● Non-Pay Budget



● Income Actuals ● Income Budget



	Year-to-date Budget £000	Year-to-date Actual £000	Year-to-date Variance £000	Year-to-date Variance %
INCOME	-15,398	-13,831	1,567	-10%
NON-PAY	19,158	18,049	-1,109	-6%
PAY	32,436	31,074	-1,362	-4%
Grand Total	36,195	35,291	-904	-2%

Vacancies continue to be a significant cause of the year-to-date underspend with 73wte vacancies at the end of November against the business plan headcount of 801wte. Recruitment continues to move rapidly with 54 active (pre start date agreed) recruitment campaigns to recruit to 62.8wte. For budgeting purposes we have assumed a 5% vacancy factor (approximately 40 posts)

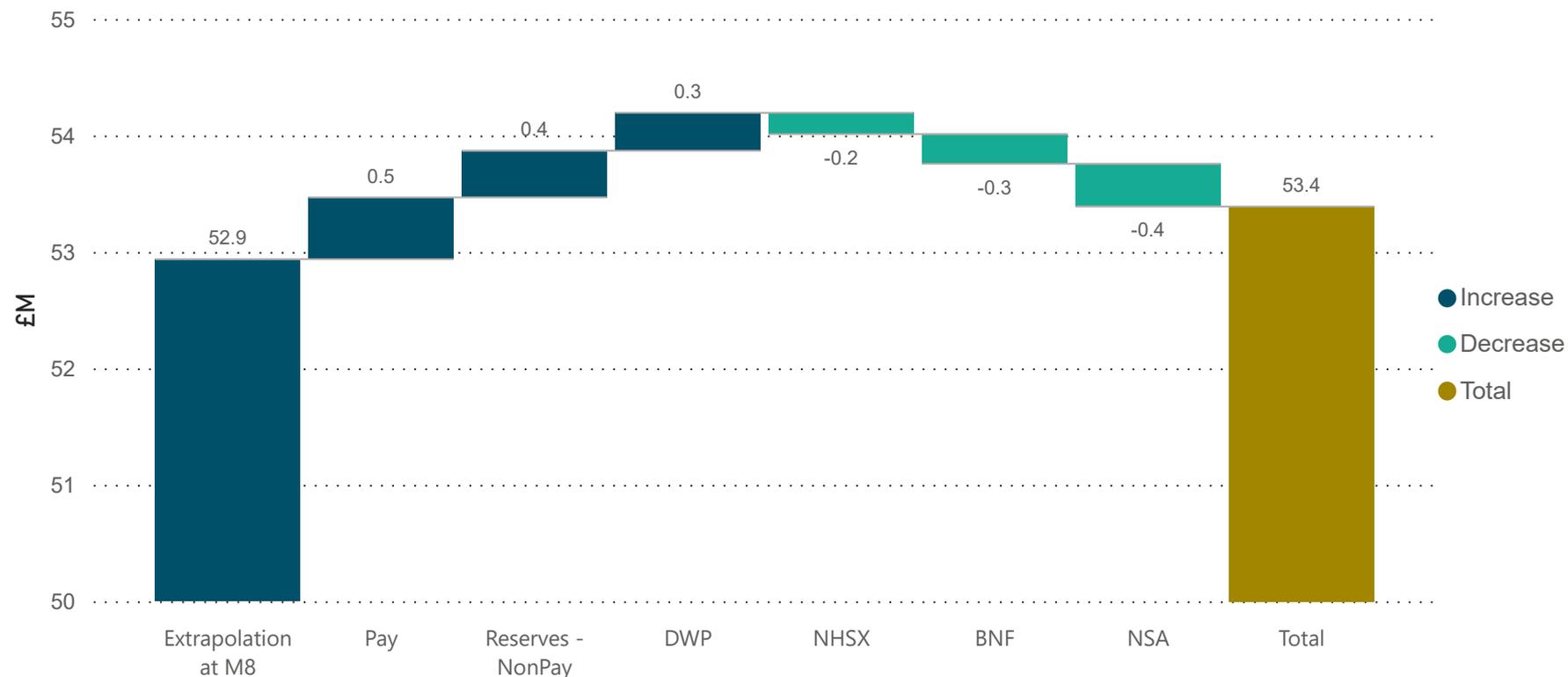
The number of vacancies has a knock-on impact on capacity, including income generating teams.

Total income is below plan for TA/HST income and NICE Scientific Advice, although other income sources are currently on target. It is anticipated TA and HST income will continue at current levels for the remainder of the year, although NICE Scientific Advice is showing an improved position in quarter 3 and is expected to do so again in quarter 4.

Non-pay underspends relate to low depreciation costs to date, slippage in the Digital Workplace and Transformation programme.

Forecast year-end position 2021-22

	£M
Extrapolation of YTD (Nov) net outturn	52.9
Estimate pay growth during remainder of year	0.5
Reserves - Non Pay	0.4
Digital Workplace programme (DWP)	0.3
Income (NSA)	-0.4
BNF print and distribution costs (Oct 21)	-0.3
Income (NHSX)	-0.2
Estimated Net Outturn	53.3
Net Annual Budget	54.6
Variance (projected under spend)	1.2



Based on the current run-rate extrapolated to the end of the financial-year, along with estimates of additional expenditure / income we are likely to incur / receive, as shown in the table above, the forecast underspend for 2021-22 is £1.2m against a net budget of £54.6m.

Key adjustments to the extrapolation at month 8 are:

Pay - includes planned recruitments for the remainder of the year, plus assumed growth in establishment with a corresponding reduction in the the current vacancy rate.

Digital Workplace - in line with new profile of spend and agreed work plan.

Reserves - Non Pay - committed expenditure in the remainder of the financial year over current extrapolation.

Income - NHSX monies for AI Lab activity recognised from July.

Income - NSA improved position from October as a result of recruitment and pricing re-structure.

This forecast may change due to uncertainties and new cost pressures that may emerge. These uncertainties include:

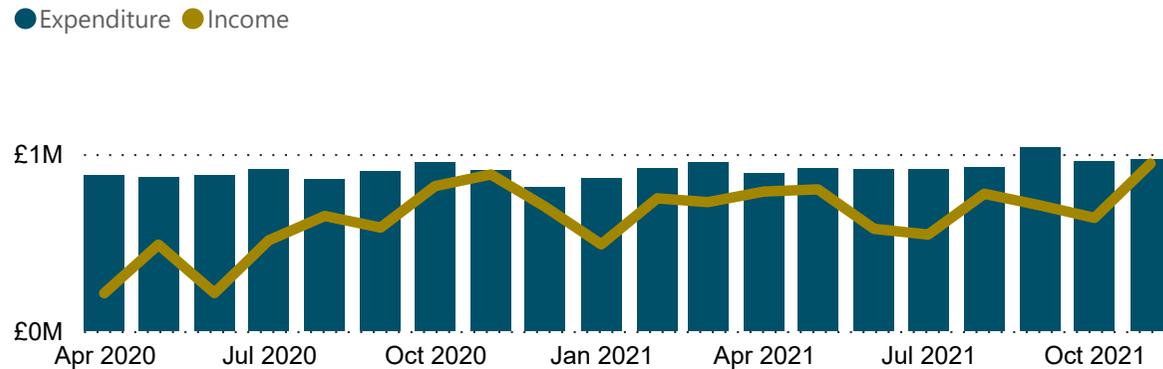
- the pace of recruitment and general turnover of staff may change the pay growth assumed above as we fill vacancies.
- possible restructuring costs as part of the organisational development review and transformation
- impact of vacancies / further Covid-19 disruption on income and expenditure (for example TA/HST income, travel costs)
- further commitments to expenditure funded from Reserves
- the pace of progress on the Digital Workplace programme

The board will be updated on changes to the forecast out turn throughout the financial year

Technology Appraisal / Highly Specialised Technology Income

Category	Year-to-date Actuals £'000
Expenditure	7,526
Income	5,782
Variance	1,744

TA/HST income and expenditure since April 2020



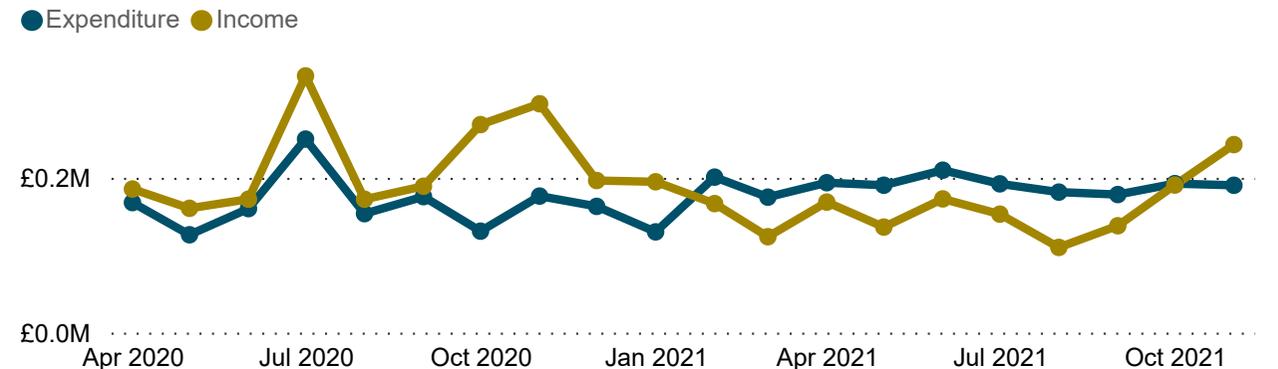
The TA/HST income target for 2021-22 is £10m. This target was set lower than the estimated full cost of the programme (estimated to be £11.5m at the start of the year). This was partly in recognition of the discount for small companies, but mostly because of the disruption caused by Covid -19 and vacancies, and the double impact this was expected to have on the programme.

As previously reported, income is still tracking lower than expenditure in 2021-22, although in the most recent month (November 21) £0.95m income was recognised, which was the most in a single month since fees were introduced. However, a dip is expected over the Christmas period and the full-year forecast remains at £8.5m income.

NICE Scientific Advice Income

Category	Year-to-date Actuals £'000
Expenditure	1,529
Income	1,313
Variance	216

NICE Scientific Advice income and expenditure since April 2020



The NSA team is currently reporting a deficit, due to capacity issues from vacancies earlier in the year.

However, vacant posts have now been filled and a review of pricing in July to reflect changes in skill mix within the team and the 2021-22 pay award has seen revenues increase in recent months.

The deficit has fallen by £51k in the 2 months since the previous report (£267k) and it is expected that this improved performance will be maintained for the remainder of the year, reducing this deficit further to potentially achieve breakeven or better by the end of the financial year.